



California Fair Political Practices Commission

April 29, 1986

James A. Thompson
Wilhelm, Thompson, Wentholt & Gibbs
Attorneys at Law
600 Allerton Street
Redwood City, CA 94065

Re: FPFC Advice No. A-86-121

Dear Mr. Thompson:

Thank you for your letter of March 20, 1986, requesting information concerning the campaign disclosure provisions of the Political Reform Act (Government Code Sections 81000-91015).

Because the questions posed in your letter are not asked on behalf of a specifically identified person, this letter does not constitute advice under Government Code Section 83114. Rather, this letter provides a general interpretation of the campaign disclosure provisions of the Political Reform Act. (See, 2 Cal. Admin. Code Section 18329, copy enclosed.)

You have asked the following questions:

1. If someone is on full-time employment with a corporation or governmental entity, and that same person uses employee time to run for political office, does the compensation that person receives while spending that time in the campaign need to be reported as "support" of a financial nature?

Government Code Section 82015 and 2 Cal. Adm. Code Section 18215 define a contribution as "any monetary or non-monetary payment made for political purposes for which full and adequate consideration is not made to the donor..." 2 Cal. Adm. Code Section 18423 provides that salary, reimbursement for personal expenses and other compensation provided by an employer to his or her employee who spends more than 10% of his or her compensated time in any calendar month rendering services for political purposes is a contribution. Specifically, the payment is a contribution and is reportable on a campaign statement if "the employee, with consent of the employer, is relieved of any normal

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working responsibilities related to his employment in order to render the personal services, unless the employee engaged in political activity on a bona fide, although compensable vacation time or pursuant to a uniform policy allowing employees to engage in political activity..."

I cannot provide advice concerning the legality of a governmental agency paying a salary to one of its employees who is engaged in political activity. For your information however, the federal Hatch Act requires a federal employee to resign their position when they become a candidate. The state Department of Justice has issued an opinion concerning the misuse of public resources in political campaigns. I suggest you contact the Federal Elections Commission, the state Department of Justice or a local law enforcement official for additional assistance in determining if a governmental employee may engage in political activity while on a governmental payroll.

2. If people volunteer special services (i.e., accountants, attorneys, sign makers, etc.) to a campaign, does the reasonable value of these services have to be reported as financial support?

If a candidate or committee receives property, services or anything else of value (excluding a monetary contribution) for which the candidate or committee has not provided full and adequate consideration, it has received a non-monetary contribution which must be itemized on the campaign statement whenever the fair market value is \$100 or more. The fair market value is whatever it would cost the committee receiving the goods or services to purchase them on the open market.

The term "contribution" does not include volunteer personal services or payments made by a person for his or her own travel expenses if such payments are made voluntarily without any understanding or agreement that they shall be, directly or indirectly, repaid. For example, a sign maker may volunteer his personal time and expertise in the making of campaign signs and has not made a contribution. However, all of the

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expenditures incurred by the sign maker, i.e., purchasing of nails, paint, wood etc., must be reported as a non-monetary contribution by the candidate or committee.

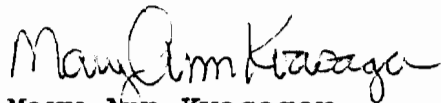
3. If a fund-raiser party is held, does the rental value of the premises where the party is held have to be included as financial support? How about the volunteer efforts of the people who set up the party, clean up, etc.? What if food is provided, does the reasonable value of food (even cheese and crackers) have to be included as support?

The term contribution does not include a payment made by an occupant of a home or office for costs related to any meeting or fund-raising event held in the occupant's home or office if the total costs for the event (including the fair market value of food) are \$500 or less. However, if the costs equal or exceed \$500, ALL payments made in connection with the event become a non-monetary contribution.

If the event is held in other than the home or office occupied by the sponsor/host, i.e., a rental hall, the cost for renting the hall is considered a contribution. If food is provided, the fair market value (not "the reasonable value") of the food must also be reported as a contribution. Again, volunteer personal services, as explained in the answer to your second question, are not considered a contribution.

I hope the above information is helpful. Please do not hesitate to contact me if you have additional questions or need further clarification of the questions posed in your letter of March 20, 1986.

Sincerely,



Mary Ann Kvasager
Political Reform Consultant

Enclosures: Political Reform Act
of 1984 as Amended to January
1, 1986; Regulations 18215,
18225, 18329, 18423;
Information Manual on Campaign
Disclosure Provisions of the
Political Reform Act/1986.

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March 20, 1986

Fair Political Practices Commission
1100 K Street Building
Sacramento, CA 95814

Gentlemen:

Inquiries have been made to this attorney regarding certain Fair Political Practices Acts Campaign Fund requirements. In particular, we need to know the answers to the following questions:

1. If someone is on full-time employment of a corporation or governmental entity, and that same person uses employee time to run for political office, does the compensation that person receives while spending that time in the campaign need to be reported as "support" of a financial nature?

2. If people volunteer special services (i.e., accountants, attorneys, sign makers, etc.) to a campaign do the reasonable value of these services have to be reported as financial support?

3. If a fund-raiser party is held, does the rental value of the premises where the party is held have to be included as financial support? How about the volunteer efforts of the people who set up the party, clean up, etc.? What if food is provided - does the reasonable value of the food (even crackers and cheese) have to be included as support?

Some of the above may sound "picky," however, in the larger sense of things, volunteer contributions of services, food, floor space, signs, and other such activities, if not reported, would be misleading to the public. It is not so much the scale or magnitude of such contributions, but rather, the disclosure of them that really counts.

In particular, it appears that there are many people who would like to run for public office or be involved in governmental activities - such persons who are working on fixed hourly wages or

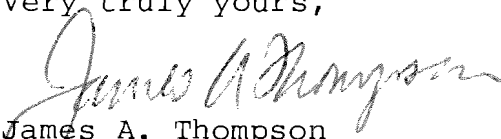
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otherwise have employers who would not allow them to take time off from their work to campaign or hold a public office, are now precluded from becoming involved in the political process. If such disclosures were made (as stated above) it would tend to equalize and open up this potential for all of our citizens - not just those who are independently wealthy or have strong financial employers.

Your answer to the above questions is most welcome. Thank you for your assistance.

Very truly yours,



James A. Thompson

JAT:kl



California Fair Political Practices Commission

April 17, 1986

James A. Thompson
Wilhelm, Thompson, Wentholt & Gibbs
Attorneys at Law
600 Allerton Street
Redwood City, CA 94063

Re: 86-121

Dear Mr. Thompson:

Your letter requesting advice under the Political Reform Act has been received by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact the Technical Assistance and Analysis Division at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or unless more information is needed to answer your request, you should expect a response within 21 working days.

Very truly yours,

A handwritten signature in cursive script that reads "Jeanne Pritchard" followed by a flourish.

Jeanne Pritchard
Chief
Technical Assistance and Analysis
Division

JP:plh

TO: () JOHN L. () BOB L. () AL () JEANNE
() JOHN K. () KATHY () MARY ANN
() LYNN () JOHN M. () CARLA
() JAY () ROGER () HELEN

FROM: Kvasager

DATE: April 29, 1986

() OTHER: _____

[] TELEPHONE ADVICE - SEE BELOW

[^x] CORRESPONDENCE ADVICE - SEE ATTACHED DRAFT

(IF YOU HAVE ANY COMMENTS, NOTIFY ADVISOR WITHIN 1 DAY)

FILE LOCATION: _____

INCLUDE IN ADVICE PACKAGE:

YES []

NO []

CALLER James A. Thompson

REPRESENTING Wilhelm, Thompson, Wentholt & Gibbs

PHONE NUMBER: _____

QUESTION: Reporting 10% or more of an employee's compensated time,
volunteer special services and fund-raisers held in an
occupant's home.

ANSWER: Compensation provided by an employer to his employee who spends
more than 10% of his in any calendar month rendering services
for political purposes is a contribution. The term "contribution"
does not include volunteer personal services or payments made by
a person for his travel expenses if such payments are made
voluntarily without any understanding or agreement that they
will be repaid. Fund-raising event held in an occupant's home
is not a contribution if all costs related to the event
remain under \$500.